

House Republican Press Release

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Rep. DelGobbo Warns Proposed Nursing Home Tax May Fail to Generate More Federal Funds



State Representative Kevin M. DelGobbo (R-70th, Naugatuck) today noted that the federal government is moving to close loopholes such as a proposed Connecticut nursing home tax designed to generate more federal Medicaid reimbursement.

Rep. DelGobbo called attention to a published report in today's *Los Angeles Times* where U.S. Health and Human Services Secretary Michael Leavitt said the states are using accounting gimmicks to inflate claims for reimbursement from Washington.

Leavitt was quoted as saying the federal-state Medicaid program is "not financially sustainable" and that the federal government would challenge inflated state Medicaid costs submitted for reimbursement.

"Secretary Leavitt's comments only underscore the dangerous road Connecticut is going down," said Rep. DelGobbo. "The nursing home tax may well be an untenable and unsustainable revenue mechanism."

Rep. DelGobbo added, "My largest concern remains the provision in the nursing home tax legislation that would literally obliterate the state's constitutional spending cap approved by voters in 1992."

Legislation proposed in the state legislature's Public Health committee would tax nursing homes \$14 per patient per day, in hopes of increasing federal reimbursement to the state for Medicaid patients, and in turn increase state payments by \$35 per patient per day. It would also exempt this additional expenditure from the state-spending cap, Rep. DelGobbo said.

The article can be viewed on the LA Times website (registration required) at <http://www.latimes.com/news/nationworld/nation/la-na-medicaid2feb02,1,1282282.story>

State Rep. Kevin DelGobbo represents the 70th Assembly District of Naugatuck in the state House of Representatives.